

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-180-C**

Application of)	
)	
Consolidated Telecom, Inc.)	
)	DIRECT TESTIMONY OF JEROME
for a Certificate of Public Convenience and)	JACOBS
Necessity to Resold Interexchange)	
Telecommunications Services in the State)	
of South Carolina, and for Alternative and)	
Flexible Regulation)	

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Jerome Jacobs, and my business address is 2445 Gateway Drive, Suite 120,
3 Irving, Texas 75063

4 **Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A: I am the Vice-President of Consolidated Telecom, Inc. ("Consolidated").

6 **Q: IS THE ADDRESS OF THE COMPANY THE SAME AS THAT WHICH YOU**
7 **HAVE JUST SUPPLIED?**

8 A: Yes.

9 **Q: PLEASE DESCRIBE YOUR DUTIES FOR THE COMPANY.**

10 A: I am in charge of handling the Company's regulatory and compliance operations, for acting
11 as liaison with governmental agencies, and for overseeing all operations of the company.

12 **Q: COULD YOU PROVIDE A BRIEF BACKGROUND OF YOUR EDUCATION**
13 **AND EXPERIENCE?**

1 A: Yes. I am currently a Vice-President and Director for Consolidated. I am involved in
2 both the sales and customer relations of the company. I was responsible for setting up the
3 customer relations department and for managing day to day affairs in the Irving, Texas
4 headquarters. I also oversee the regulatory affairs of the Company. Prior to co-founding
5 Consolidated Telecom, Inc., I was a sales representative for West Publishing Corporation
6 for approximately five years. I also worked for the Michigan Securities Commission and
7 later worked as an attorney for several private investment firms in California. I hold a
8 B.S. in Business and Juris Doctorate from Michigan State University.

9 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A: The purpose of my testimony is to present evidence describing the technical, managerial
11 and financial fitness of Consolidated to provide resold interexchange services in South
12 Carolina. This testimony will also describe the services to be provided by Consolidated
13 and the Company's proposed tariff. Finally, my testimony will show that the public
14 interest will be served by approval of Consolidated's application.

15 **Q: ARE YOU FAMILIAR WITH THE APPLICATION OF YOUR COMPANY**
16 **SUBMITTED TO THIS COMMISSION AND ALL EXHIBITS ATTACHED**
17 **THERE TO?**

18 A: Yes.

19 **Q: DO YOU WISH TO INCORPORATE BY REFERENCE ANY DOCUMENTS**
20 **INTO THIS TESTIMONY?**

21 A: Yes. I wish to incorporate by reference the underlying Application filed in this
22 proceeding and its associated exhibits.

1 **Q: DO YOU RATIFY AND CONFIRM THE STATEMENTS AND**
2 **REPRESENTATIONS MADE IN THAT APPLICATION AND ALL EXHIBITS**
3 **ATTACHED THERETO?**

4 A: Yes.

5 **Q: HAS CONSOLIDATED REGISTERED TO DO BUSINESS IN SOUTH**
6 **CAROLINA?**

7 A: Yes. Consolidated has received foreign corporation authority in South Carolina, and a
8 copy of the Certificate of Authorization was attached to the Application as Exhibit B.

9 **Q: PLEASE DESCRIBE THE SERVICES THAT THE COMPANY INTENDS TO**
10 **PROVIDE WITHIN THE STATE OF SOUTH CAROLINA.**

11 A: The company seeks authority to operate as a provider of inmate operator services to
12 correctional facilities on a statewide basis.

13 **Q: DOES THE COMPANY INTEND TO OFFER PREPAID DEBIT CARD**
14 **SERVICES IN SOUTH CAROLINA?**

15 A: Not at this time. The Company is aware of this Commission's \$5,000 bond or certificate
16 of deposit requirement associated with prepaid debit card services, and will file such an
17 instrument with the Commission should the Company decide to offer these services in the
18 future. The Company does allow the inmate family members to establish prepaid
19 accounts to allow the inmate to make calls. Consolidated is also aware of Commission Rule
20 103-607 and its bond requirement applicable to certain providers of "retail residential local
21 exchange services." While Consolidated does not provide those particular services, it is
22 aware that at least one inmate provider certified by this Commission has agreed to post a

1 bond similar to that required by Rule 103-607, and would consider doing same under
2 appropriate circumstances.

3 **Q: WHICH CARRIERS CURRENTLY SERVE AS THE COMPANY'S**
4 **UNDERLYING CARRIERS?**

5 A: Qwest and/or Global Crossing. The Company can assure the Commission that any carrier
6 with whom the company contracts for the provision of interexchange services will have
7 been properly certified by this Commission.

8 **Q: WHAT SERVICES DOES THE UNDERLYING CARRIER(S) PROVIDE TO THE**
9 **COMPANY?**

10 A: The underlying carriers provide the Company's operator services.

11 **Q: HOW DOES THE COMPANY PROVIDE INTEREXCHANGE SERVICES?**

12 A: The Company purchases service lines at a discount from its underlying carriers, and then
13 resells the service under its own brand name to the correctional facility.

14 **Q: HOW WILL CONSOLIDATED BILL FOR ITS SERVICES?**

15 A: The Company has direct billing and collection agreements with various underlying
16 carriers. Collect calls placed to local service providers who do not bill calls for other
17 carriers will be billed directly by Company to credit-worthy customers, or will be billed
18 through prepaid accounts when customers do not have a satisfactory credit score. The
19 Company's customer bill will comply in all respects with Commission Rule 103-622.1.

20 **Q: HOW ARE TROUBLE REPORTS AND CUSTOMER COMPLAINTS HANDLED?**

21 A: Consolidated uses a nationwide toll-free number, 1-800-583-9683 for customer services.
22 An emergency after hours repair option is available by dialing the toll free Customer

1 Service number above. The Company's toll-free number is printed on all customer billing
2 statements.

3 **Q: HOW ARE BILLING ERRORS AND COMPLAINTS HANDLED?**

4 A: The Customer Service Department is open from 8:30 a.m. to 5:30 p.m. (EST) Monday
5 through Friday by calling 1-800-583-9683 (toll free). Customer service representatives
6 are prepared to respond to a broad range of service matters, including 1) the types of
7 services offered; 2) monthly billing statements; 3) problems or concerns pertaining to a
8 customer's current service; and 4) general telecommunications matters.

9 **Q: ARE YOU FAMILIAR WITH THE TARIFF SUBMITTED AS AN EXHIBIT TO**
10 **THE APPLICATION?**

11 A: Yes.

12 **Q: WAS THE TARIFF PREPARED BY YOU OR UNDER YOUR SUPERVISION?**

13 A: Yes. It was prepared under my supervision.

14 **Q: DESCRIBE THE PROPOSED CONSOLIDATED SOUTH CAROLINA TARIFF.**

15 A: Consolidated has included a proposed interexchange tariff which contains the rules,
16 regulations and rates for Consolidated's services. Consolidated proposes to provide
17 inmate operator services to correctional facilities. These services are not
18 mileage-sensitive. Consolidated's tariff will comport with all applicable Commission
19 Rules and Orders, and Consolidated agrees to make any changes suggested by the South
20 Carolina Office of Regulatory Staff ("ORS") necessary to comply with all such applicable
21 authority.

22 **Q: IN YOUR OPINION, ARE YOUR PROPOSED RATES CONTAINED IN THE**
23 **TARIFF JUST AND REASONABLE?**

1 A: Yes. They are competitive in the current market.

2 **Q: WILL CONSOLIDATED AGREE TO KEEP A CURRENT PRICE LIST ON FILE**
3 **WITH THE COMMISSION AND THE ORS?**

4 A: Yes. Consolidated is aware of this requirement as described in Commission Order 2017-53
5 and made applicable to Securus Technologies, Inc., and will file and update such a list as
6 necessary so that customers can determine Consolidated's actual rates and charges for its
7 services and confirm that they have been properly billed for those services.

8 **Q: WILL THE COMPANY PROVIDE ANY EQUIPMENT OR FACILITIES IN**
9 **CONNECTION WITH ITS SERVICES?**

10 A: No, the Company does not intend to own, operate, control or manage any
11 telecommunications transmission facilities within the State of South Carolina, and does not
12 intend to obtain or construct any such facilities or equipment. However, the Company
13 reserves the right to install its own facilities if and when business conditions warrant, and
14 upon approval of the Commission.

15 **Q: HOW LONG HAS THE COMPANY BEEN IN BUSINESS?**

16 A: Consolidated was organized December 11, 1990. It has the authority to provide
17 interexchange services in about twenty-four (24) states, and intends to obtain
18 interexchange certification on a nationwide basis.

19 **Q: DOES THE COMPANY HAVE OFFICES IN SOUTH CAROLINA?**

20 A: No. The company does not intend to have offices in South Carolina. Accordingly, the
21 company requests, pursuant to Commission Rule 103-610, that the Commission authorize
22 the company to keep its books and records at its offices in Texas. Upon request, the

1 company will provide any such books and records to the Commission Staff or the South
2 Carolina Office of Regulatory Staff on an expedited basis and at the company's costs.

3 **Q: DOES THE COMPANY KEEP ITS BOOKS AND RECORDS ACCORDING TO**
4 **THE UNIFORM SYSTEM OF ACCOUNTS (USOA)?**

5 A: No. To the extent that the Commission's Rules require use of the USOA, Consolidated
6 requests a waiver of any such rule(s) in order to be allowed to keep its books and records
7 according to Generally Accepted Accounting Principles (GAAP).

8 **Q: DOES THE COMPANY HAVE ADEQUATE AND SUFFICIENT FINANCIAL**
9 **RESOURCES TO PROVIDE THE PROPOSED TELECOMMUNICATIONS**
10 **SERVICES PROPERLY AND CONTINUOUSLY?**

11 A: Yes. The Applicant is adequately funded for continuous operations. The Company has
12 previously submitted financial statements to the Commission reflecting its financial status.

13 **Q: WHERE DOES THE COMPANY ANTICIPATE OFFERING ITS SERVICES IN**
14 **SOUTH CAROLINA?**

15 A: The Company intends to offer its services on a statewide basis.

16 **Q: HOW WILL THE COMPANY MARKET ITS SERVICES?**

17 A: The Company will market its services by using its own salespeople. The Company does
18 not intend to use telemarketing in connection with its services.

19 **Q: IS THE COMPANY CERTIFIED OR OTHERWISE AUTHORIZED TO**
20 **PROVIDE RESALE SERVICES OF THE TYPE DESCRIBED HEREIN IN ANY**
21 **OTHER STATES?**

22 A: Yes. The Company is currently authorized to operate in Alabama, Arizona, Arkansas,
23 Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Montana,

1 North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Texas Utah, Virginia,
2 Washington, and Wisconsin.

3 **Q: IN WHAT OTHER STATES WILL THE COMPANY SEEK WHATEVER**
4 **APPROVALS ARE NECESSARY?**

5 A: The Company intends to obtain certification on a nationwide basis.

6 **Q: WHY DOES THE COMPANY WANT TO COMMENCE OPERATIONS IN**
7 **SOUTH CAROLINA?**

8 A: The Applicant intends to operate on a nationwide basis.

9 **Q: IN YOUR OPINION, WHY IS THE COMPANY'S SERVICE IN THE PUBLIC**
10 **INTEREST?**

11 A: Allowing the Company to provide service within the State of South Carolina promotes
12 competition within the inmate payphone telecommunications industry, and thereby results
13 in the offering of higher quality services at lower prices to customers.

14 **Q: IS THE COMPANY WILLING AND ABLE TO PROVIDE**
15 **TELECOMMUNICATIONS SERVICE PROPERLY AND CONTINUOUSLY?**

16 A: Yes.

17 **Q: IS THE COMPANY WILLING AND ABLE TO CONFORM TO THE**
18 **CONSTITUTION AND LAWS OF THE STATE OF SOUTH CAROLINA AND TO**
19 **THE RULES AND REGULATIONS OF THE COMMISSION, UNLESS**
20 **APPLICATION OF SUCH RULES OR REGULATIONS IS SPECIFICALLY**
21 **WAIVED BY THE COMMISSION?**

22 A: Yes.

1 **Q: WILL THE COMPANY FILE ALL APPLICABLE REPORTS AS REQUIRED BY**
2 **THE COMMISSION?**

3 A: Yes. The Company is aware of the Commission's requirements that all
4 telecommunications carriers file a report on South Carolina operations, a gross receipts
5 report, and a universal service contribution report on an annual basis. To the extent
6 required by the Commission, Consolidated will support the availability of local exchange
7 telephone service. Consolidated will also file a completed Authorized Utility
8 Representative form.

9 **Q: DOES THE APPLICANT POSSESS THE MANAGERIAL AND TECHNICAL**
10 **QUALIFICATIONS, EXPERIENCE AND PERSONNEL TO PROVIDE THE**
11 **PROPOSED PUBLIC TELECOMMUNICATIONS SERVICES?**

12 A: Yes. As evidenced by the Management Profiles submitted as an Exhibit to the original
13 application, the Company has sufficient managerial and technical expertise.

14 **Q: DOES THIS COMPLETE YOUR TESTIMONY IN SUPPORT OF YOUR**
15 **APPLICATION?**

16 A: Yes.

17 **Q: WILL YOU REMAIN AVAILABLE TO RESPOND TO ANY ADDITIONAL**
18 **QUESTIONS FROM THE COMMISSION OR THE OFFICE OF REGULATORY**
19 **STAFF REGARDING YOUR APPLICATION IF NECESSARY?**

20 A: Yes.